GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:5558
ANSWERED ON:29.04.2010
INVESTMENT BY ONGC IN GAS FIELD IN IRAN
Patil Shri Sanjay Dina

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Oil and Natural Gas Corporation (ONGC) proposes to invest 10 billion dollar in two gas fields and one LNG project in Iran;

(b) if so, the details thereof;

(c) whether any agreement has been signed in this regard; and

(d) if so, the time by which it is likely to be implemented?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) to (d): Oil and Natural Gas Corporation Limited (ONGC) through its wholly owned subsidiary ONGC Videsh Limited (OVL) is pursuing two gas field projects namely South Pars Phase-12 (SP-12) and Farzad-B field Farsi Block having an estimated investment of around USD 5 Billion. OVL and Ashok Leyland Project Services Limited (ALPS) have agreed to proceed with 40% stake in SP-12 gas field subject to long term allocation of Liquefied Natural Gas (LNG) and completion of due diligence of SP-12, which is underway. An Exploration Service Contract (ESC) for Farsi block has been signed by the Indian Consortium of OVL-40%, Indian Oil Corporation Limited (IOC-40%) and Oil India Limited (OIL-20%) with the National Iranian Oil Company (NIOC). OVL has submitted the draft Master Development Plan (MDP) for the development of Farzad-B Gas Field to Iranian Offshore Oil Company (IOOC). ONGC in association with Petronet LNG Limited (PLL) and ALPS is examining the viability of investment in Iranian Gas Liquefaction Facilities for sourcing long- term LNG for the country.

Only a Memorandum of Agreement (MOA) has been signed on 01-12-2009 between Iranian Companies, Naftiran Intertrade Company (NICO) and Petropars Limited (PPL), and the Indian companies OVL and ALPS in the presence of NIOC.